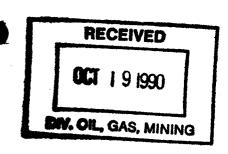
CAUSE NO. 173-9 / DOCKET NO. 90-042

IN THE MATTER OF THE PETITION
OF CONOCO, INC. FOR AN AMENDMENT
TO THE 320-ACRE SPACING ORDER
IN CAUSE NOS. 173-1 AND 173-2,
TO PERMIT A SECOND WELL IN THE
S1/2 OF SECTION 35, T. 8 S, R. 21 E,
SLM, IN THE OURAY FIELD OF UNITAH
COUNTY, UTAH

ORDERS INDEX

ORDER # DATE SIGNED DESCRIPTION

#1 10/19/90 Findings of Fact and ORDER



BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES AND ENERGY IN AND FOR THE STATE OF UTAH

IN THE MATTER OF THE PETITION OF CONOCO, INC. FOR AN AMENDMENT TO THE 320-ACRE SPACING ORDER IN CAUSE NOS. 173-1 AND 173-2, TO PERMIT A SECOND WELL IN THE S½ OF SECTION 35, T. 8 S, R. 21 E, SLM, IN THE OURAY FIELD OF UINTAH COUNTY, UTAH

FINDINGS OF FACT AND ORDER

Docket No. 90-042

Cause No. 173-9

Pursuant to the Petition of Conoco, Inc. this Cause came on for hearing before the Board of Oil, Gas and Mining at 10:00 a.m. on Thursday, September 27, 1990 in the Boardroom of the Division of Oil, Gas and Mining, 3 Triad Center, Suite 301, 355 West North Temple, Salt Lake City, Utah. The following Board members were present:

Gregory P. Williams, Chairman

James W. Carter

E. Steele McIntyre

Kent G. Stringham

Richard B. Larsen

John M. Garr

Also present representing the Division were Dr. Dianne R. Nielson, Director, and Ronald J. Firth, Associate Director, Oil & Gas.

Testifying on behalf of Petitioner Conoco, Inc. were Julie D. Crumpler, Landman; Craig Wolffing, Staff Geologist; and Kenneth Mariani, Senior Reservoir Engineer. Conoco was represented by Robert G. Pruitt, Jr. of Pruitt, Gushee & Bachtell. A letter dated September 21, 1990, from Howard B. Cleavinger, ADM for Minerals in the Vernal District Office of BLM was received in the record. No other parties appeared or participated in the hearing.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

- 1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner as required by law and the rules of the Board.
- 2. The Board has jurisdiction over the matters covered by said Petition, and over all parties interested therein, and has jurisdiction to make and promulgate the Order hereinafter set forth.
- 3. The Board has previously established a 320-acre drilling and spacing unit for the production of gas and associated hydrocarbons from the Wasatch-Mesa Verde formation underlying the $S\frac{1}{2}$ of Section 35, Township 8 South, Range 21 East, SLM, Uintah County.
- 4. The Wasatch-Mesa Verde formation underlying the $S^{\frac{1}{2}}$ of Section 35 consists of lenticular, disconnected sands, and the existing Ute Tribal 35-19 well in the $S^{\frac{1}{2}}$ of Section 35 is not

capable of recovering all of the gas and related hydrocarbons possible from the Wasatch-Mesa Verde formation within the existing 320-acre drilling unit. An optional second well is justified in the SW_4^1 of Section 35 and an optional second well in this spacing unit will not interfere with production from the existing well, which will continue to be produced.

- 5. Permitting an optional second well in the 320-acre drilling unit will not affect the existing Communitization Agreement which is based upon a 320-acre drilling unit, and all owners sharing in the original producing well will continue to share on the same basis in the new well drilled in the 320-acre drilling unit.
- 6. The spaced interval in the existing 320-acre drilling unit should remain unchanged under this amended Order.
- 7. Possible effects of the additional well upon the existing well in the same spacing unit should be monitored. The Board favors the practice of drilling additional wells if the practice does not adversely impact production from existing wells.

ORDER

After considering all testimony and evidence presented at the hearing, the comments received from the staff of the Division and the letter received from the BLM, the Board enters the following Order:

1. The Board's Orders in Cause No. 173-1 dated February 22, 1978, and Cause No. 173-2 dated April 25, 1979, are hereby amended to permit an optional second well to be drilled and produced from the spaced interval in the existing 320-acre drilling unit described below:

Township 8 South, Range 21 East, SLM

Section 35: S1/2

- 2. Said optional second well shall be located in the offsetting SW_{4}^{1} of Section 35, provided that such second well is no closer than 1,320 feet from the nearest well producing in the same spaced interval.
- 3. The option to drill a second well shall be exercised by the Operator of the existing producing well in the said 320-acre drilling unit, and shall be based upon the Operator's evaluation of economic and reservoir conditions.
- 4. Petitioner is ordered to monitor the existing well in said unit for possible drainage as a result of drilling and producing the additional well in said unit, and to appear before the Board in July of 1991 to make a report and show cause why an additional optional well should not be allowed for all 320-acre drilling units originally established by Orders in Causes Nos. 173-1 and 173-2.

4. The Board retains continuing jurisdiction over all of the parties and the subject matter of this Cause.

Entered this 27th day of September, 1990.

STATE OF UTAH BOARD OF OIL, GAS AND MINING

Gregory P. Williams, Chairman

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the foregoing FINDINGS OF FACT AND ORDER for Docket No. 90-042, Cause No. 173-9 was mailed by first class mail, postage prepaid, the 25th day of October, 1990 to:

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DATED this 19th day of October, 1990.